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PROGRAMME BUDGET FOR THE BIENNIUM 1992-1993

Representation allowance for under-secretaries-general and assistant secretaries-general

Hospitality for official functions

Report of the Secretary-General

INTRODUCTION

1. The General Assembly, by section V of its resolution 45/241 of 21 December 1990, requested the International Civil Service Commission (ICSC) to reconsider, in a comprehensive manner, the remuneration of staff of organizations of the United Nations common system at the Assistant Secretary-General and Under-Secretary-General and equivalent levels, taking into account, inter alia, the remuneration levels of equivalent positions in the comparator civil service, representation and other allowances, housing arrangements and pensionable remuneration levels, and to report thereon to the General Assembly at its forty-sixth session.

2. At its thirty-fourth session, ICSC undertook a comprehensive review of the conditions of service of assistant secretaries-general and under-secretaries-general. The Commission was able to make specific recommendations on levels of net remuneration and pay comparability vis-à-vis the United States civil service, housing arrangements and pensionable remuneration levels. However, with respect to representation allowances, it concluded that they were "not susceptible to common system treatment and would best be handled by executive heads under guidance from governing bodies of their respective organizations". 1/

3. In the light of the above conclusion, the Secretary-General prepared and submitted to the General Assembly at its forty-sixth session a report on the representation allowance for under-secretaries-general and assistant secretaries-general. 2/ However, in the light, inter alia, of the comments raised by the Advisory Committee on Administrative and Budgetary Questions (ACABQ) in paragraph 67 of its first report on the proposed programme budget for the biennium 1992-1993, 3/ it was agreed that a more comprehensive review of the representation allowance for under-secretaries-general and assistant secretaries-general and hospitality for official functions would be undertaken and a report thereon would be submitted to the General Assembly at its forty-seventh session. By its resolution 46/185 A, section VI, of 20 December 1991, the Assembly concurred with ACABQ's recommendation and decided to defer until its forty-seventh session consideration of the report of the Secretary-General on this question.

4. The present report represents an update of the above-mentioned report of the Secretary-General on representation allowance for under-secretaries-general and assistant secretaries-general 2/ and includes an overview of information requested on the origins and policies with respect to official hospitality. The report is divided into three sections: representation allowance, financial implications and hospitality.

I. REPRESENTATION ALLOWANCE

5. As indicated in paragraph 10 of the Secretary-General's report on representation allowance for under-secretaries-general and assistant secretaries-general, 2/ the present levels of representation allowance payable to under-secretaries-general and assistant secretaries-general ($4,000 and $3,000 per annum, respectively) were established in 1971. It will be recalled that, in paragraph 13 of his report, the Secretary-General recommended that the representation allowance of under-secretaries-general and assistant secretaries-general be established by direct reference to salary in amounts equal to one month of net remuneration. He further stated that this proposal would have a twofold advantage: it would provide for automatic adjustments in the levels of the allowance to keep pace with cost-of-living movements and a direct linkage between the levels of the allowance and net remuneration would provide for differentiation in the amounts payable at different duty stations. This proposal is being resubmitted to the General Assembly at its forty-seventh session for consideration.

6. Since the issuance of the Secretary-General's report, 2/ in 1991, the net remuneration of under-secretaries-general and assistant secretaries-general has increased in dollar terms owing to changes in the post adjustment classification of different duty stations. Assuming single rates, the Secretary-General's proposal to increase base salaries for under-secretaries-general and assistant secretaries-general by 9 and 7.5 per cent, respectively, and projected levels of total net remuneration (base salary and post adjustment) at 1993 prices, adoption of the above proposal would have the following impact in New York, Geneva and Vienna:

United Nations Secretariat officials	Total annual net remuneration	Representation allowance*
	(in United States dollars)	
USG (New York)	120 663	10 050
ASG (New York)	109 900	9 150
USG (Geneva)	171 084	14 250
ASG (Geneva)	155 856	13 000
USG (Vienna)	148 800	12 400
ASG (Vienna)	135 564	11 300

* Rounded to nearest $50.

7. It will also be recalled that in paragraphs 17 and 18 of his report, 2/ the Secretary-General proposed to introduce the increase in the level of representation allowance on a gradual basis over the period 1992-1996. The new period would be 1993-1996 and the amounts would be established at 60 per cent of monthly net remuneration in 1993, 70 per cent in 1994, 80 per cent in 1995, and at 100 per cent starting in 1996.

II. FINANCIAL IMPLICATIONS

8. If the levels of representation allowance are established by direct reference to salary, in amounts equal to one month of total net remuneration at the single rate, the annual increase under the regular budget at 1993 prices would be $241,700.

9. Should the General Assembly adopt the proposal contained in paragraph 7 above, to phase in progressively the increase in the level of the representation allowance for under-secretaries-general and assistant secretaries-general over the period 1993 to 1995 until it amounts to one month's total net salary in 1996, the increases in the regular budget at 1993 prices would be the following:

	1993	1994	1995	1996
		(in United States dollars)		
Under-secretaries-general	51 200	21 900	21 900	43 700
Assistant secretaries-general	43 800	14 800	14 800	29 600
Total	95 000	36 700	36 700	73 300

10. Since the adjustments to the representation allowance proposed in this report would compensate for the loss of purchasing power over a period of 21 years, the increase would be best reflected under inflation in the programme budget. The proposed increase for 1993 will be included under inflation in the first performance report on the programme budget for the biennium 1992-1993 in the context of the administrative and financial implications of the decisions and recommendations contained in the report of the International Civil Service Commission. 4/ When the proposed programme budget for the biennium 1994-1995 is submitted for approval by the General Assembly, there will also be a provision under inflation to account for the increases proposed to take effect during that biennium.

III. HOSPITALITY

11. Two types of budget provisions are made under hospitality in the programme budget: one relates to official functions and the other to representational functions. Official functions involve special events, such as receptions for heads of State and official dinners hosted by the Secretary-General or receptions hosted by heads of offices or departments. Representational functions involve entertaining persons who are not staff members of the Organization in order to discuss official business or offering refreshments to participants at meetings.

12. Provision to cover the first type is included under "official functions". The second type is a general provision which is included under "other hospitality" in departmental budgets and is subject to review in the light of experience during the preparation of the proposed programme budget. The provisions under "other hospitality" are included for the purpose of reimbursing officials who do not receive representation allowances. In both instances, proposals are submitted by departments for review by the Programme Planning and Budget Division in order to arrive at the level of resources to be included in the Secretary-General's proposals to legislative organs. The amount approved for official functions and other hospitality in the appropriations for the biennium 1992-1993 totals $865,200 and is distributed in amounts ranging from $212,000 for the Secretary-General to $500 for a number of offices.

13. Policy guidelines for the control of expenditures relating to official hospitality are contained in administrative instruction ST/AI/192/Rev.1 of 1 March 1982 and its addendum of 23 December 1983. Under this instruction, annual allotments are issued for official hospitality to departments and offices against the appropriations voted by the General Assembly for this purpose. Within the limits of these allotments, heads of offices and departments may authorize the reimbursement of expenditures incurred by officials who do not receive a representation allowance under the terms of paragraphs 2 and 5 of annex I to the Staff Regulations and who, in the performance of their official functions, have extended hospitality to members of delegations, members of Governments or non-governmental organizations or individuals in the private sector. It is the responsibility of the heads of

departments or offices to satisfy themselves that the expenditures in each case are reasonable and necessary. Also, funds for hospitality are allotted to directors of United Nations information centres, who report semi-annually to the Department of Public Information, Headquarters, on the nature and purpose of the hospitality extended and the categories of persons entertained.

14. The only exception to the above guidelines refers to hospitality extended in the form of a reception, or similar function, in connection with the holding of an official meeting. This hospitality is extended not by an individual, but by a department or an office and in this case the head of the office may claim reimbursement, even if he/she receives a representation allowance. The essential feature of this type of hospitality is that it pertains to meetings which have been planned in advance and identified in the appropriate budget document.

15. Allotments for hospitality are recorded under a specific object of expenditure and related provisions cannot be increased through redeployment from other objects of expenditure without, in exceptional circumstances, a special authorization from the Programme Planning and Budget Division. The specific allotment for hospitality is the limit of the authorization granted to offices and departments. The Programme Planning and Budget Division is responsible for monitoring expenditures against annual allotments and considering corrective action proposed by departments in the light of experience during the biennium.

16. At Headquarters, the maximum rates for reimbursement for entertainment outside of the home are generally established in relation to the prices in the Delegates' Dining Room and in restaurants in the area adjacent to the Organization. The current maximum rates, which have been in effect since 1 January 1984, are $24 per guest and $18 for the host. These rates are currently under review by the Office of Programme Planning, Budget and Finance.

Notes

1/ Official Records of the General Assembly, Forty-sixth Session, Supplement No. 30 (A/46/30), vol. I, para. 173 (e).

2/ A/C.5/46/32 and Corr.1.

3/ Official Records of the General Assembly, Forty-sixth Session, Supplement No. 7 (A/46/7).

4/ Ibid., Forty-seventh Session, Supplement No. 30 (A/47/30).